

# The AGRICULTURAL OUTLOOK DIGEST

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The seasonal peak in meat production has passed but output probably will continue above a year earlier this winter.

Hogs from last spring's crop moved to market unusually early. Slaughter under Federal inspection in November was almost up to the 1943 record, though the number of pigs raised from the spring crop was considerably under the peak.

Hog prices are likely to strengthen seasonally but will remain below a year ago. Slaughter, though declining from fall levels, will continue above a year earlier for several months. The 1955 fall pig crop, to be marketed in the first half of 1956 is larger than last fall's crop.

A moderate recovery also is likely for prices of fed cattle. Increase is not likely to be large. Number on feed October 1 was 19 percent above a year earlier. Although proportion scheduled for market the last quarter of this year was greater than in 1954, slaughter is likely to stay above a year earlier this winter.

Lambs probably will share in price increase expected for other meat animals. Marketings of fed lambs are expected to rise seasonally but not as much as last year. In recent weeks, prices of sheep and lambs have averaged a little below same time in 1954.

**DAIRY:** The milk flow has started to increase seasonally, and is likely to be above 1955 levels through this winter. The large supply and lower price for feed favors heavy milk production. So do the more favorable prices for dairy products than for hogs and beef cattle.

**EGGS AND POULTRY:** Seasonal increase in egg production, now underway, is at a slower rate than last year. This is due to smaller proportion of pullets in laying flock -- 47 percent on October 1 compared with 52 percent a year earlier. Laying flock on December 1 was 2 percent below a year ago . . . is likely to continue lower by about the same margin until about the middle of next year. Egg prices in early December were almost up to mid-September levels and in many important markets were 15 to 20 cents above a year earlier.

Fewer broilers probably are being marketed this month than in half a year. Prices are continuing near the levels of October and November. Supplies of competing red meats and poultry are seasonally large.

**FATS AND OILS:** Lard prices weakened in the last month as output reached high levels. Prices of most other fats and oils showed little change. Output of inedible tallow and greases has been heavy but exports have been large and prices steady.

**FEED:** The record supply of feed concentrates and hay is distributed more evenly over the country than last year. In the 1954-55 feeding year, supplies were short in large areas of the south and southwest, largely because of drought.



Prices of feed grains and some byproduct feeds at principal markets declined from October to November but rose in the first half of December.

WHEAT: Prices on December 14 were generally at the highest points reached this fall. Strength in prices in face of record supply is due to large holdings by CCC and the reduced 1955 crop together with the operation of the current price support program.

FRUIT: Higher prices than a year ago are expected for oranges in early winter. Demand for processing is strong and supplies of oranges this winter are a little smaller than a year ago. Grapefruit prices have been running near year ago levels and are likely to continue to do so in early winter. Supplies remaining to be marketed are a little larger than last year.

Stocks of apples, pears and grapes in cold storage are larger this fall than last.

VEGETABLES: Among crops for which indications of acreage for winter harvest are available, beets, broccoli, carrots, kale and spinach are down while artichokes, lima beans, cabbage, cauliflower, escarole, lettuce and green peppers are up. Acreage of shallots and green peas is about the same.

Onions are likely to be in tighter supply into the spring because of reduced late summer crop. Acreage in prospect for the early spring crop is a record.

Prices for potatoes are likely to remain below a year earlier until mid-1956. With the late crop well above normal market requirements, stocks on January 1 are likely to be larger than last year. Also, a substantially larger crop is expected to be harvested this winter.

COTTON: Production was estimated at 14,663,000 bales as of December 1, 1 percent less than estimated in November. The 1954 crop was 13,696,000 bales and the 1944-53 average 12,952,000. Prices on the 14 spot markets continue slightly below the loan rates and below a year earlier.

TOBACCO: Burley auctions got under way on November 29. Through December 11 prices averaged 58.4 cents per pound, 14 percent above same period last year.

ECONOMIC ACTIVITY: The 1955 boom in economic activity reached the highest level of the year in the last quarter. Factory production is running about 12 percent above a year ago. The steel industry is working at capacity and auto output is near last spring's high. Construction is close to a record level and business investment is expanding.

Further increases in business investment are in prospect. Expenditures planned for the first quarter of this year are a little above the present quarter and nearly a fourth above January-March, 1955.

Prices of most factory goods have been rising gradually while a farmers' prices have been declining. Sharp price declines for hogs and cattle, reflecting heavy marketings, were mainly responsible for 2 percent decline in the index of prices received by farmers from October to November.